

The MAMIS FAX

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Justin's "STREAM OF CONSCIOUSNESS" notes

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... sort of the reverse of previous recent days. This time the indices closed slightly lower but there were more advances than declines. In reality, there wasn't much happening all day. There were fewer new highs, but the market indices were down, so it doesn't really count as a divergence ... and besides, a number of hitherto laggards showed not just some but considerable fresh life – especially the "other" semi-conductors such as KLAC, LRCX, and particularly LLTC. (It makes us feel that we are being punished for ragging at them for lagging.)

So the buying isn't done yet. INTC added a bit more; PFE is now apparently in play; CSX has kept on chugging up, far and away exceeding its RR cohorts; EXC is, relatively speaking, the "best" electric; and QCOM came along and did what was expected of it. Given all of this widespread "better" behavior, we wonder how Lowry's previously conspicuously lagging "Buying Power" now calculates to.

Well, there are some problems, too ... AA, for example, continues its "head & shoulders" look. GENZ literally collapsed – finally -- in the midst of all this buying fervor. POT trades remarkably poorly ... failing even within its trading range of the past five weeks, and setting out downward. MOS is down, too, and IPI, so it is not just a POT problem individually. ABT gets not even a buying nibble, but some selling, instead, but there is a mite of upside interest elsewhere in healthcare – UNH, for example, didn't exactly leap, but it did rise; so did BMY, but LLY did not, and GENZ, of course, was awful, so it is fair to say there isn't much enthusiasm for this sector, with MRK and PFE hogging the attention. Perhaps the most shunted aside group is energy. There are, indeed, many lagging energy stocks in our chart piles: CVX; APC; APA; NBL; MUR; COP; NE; HP; RIG. We're reluctant to be so critical ... the ability of several previously lagging semi-conductors – i.e., ignoring INTC's strength, and TXN's improvement – to arise and join in calls for wariness in being "too" critical.

But if we don't want to be late in chasing AAPL – it shows a remarkable island this morning – then we don't want to be late in chasing any of these conspicuously "out of it" sectors. It may be that when they get nibbled at will mark the exhaustion of the rise. The *Investors Intelligence* statistics certainly aren't suggesting any such thing this week, but we've noticed how "ancient" some of their voters are – once a month "July" pieces, or dated July 7th – so the real test will be next week's percentage of bulls, which should reflect when the enthusiasm started to leap toward the heavens. This rise isn't really going to be exhausted until that number shows a considerable cheering and huzzahs.

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